

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Lifeline and Link-Up)	WC Docket No. 03-109

COMMENTS OF BUDGET PREPAY, INC.

Budget PrePay, Inc. d/b/a Budget Mobile ("Budget PrePay") files these comments in response to the Commission's Public Notice seeking comment on the July 13, 2012 request by TracFone Wireless, Inc. ("TracFone") to include the Children's Health Insurance Program ("CHIP") in the list of programs which qualify households for Lifeline under the Commission's uniform eligibility criteria.¹ As set forth briefly below, Budget PrePay supports including CHIP in the list of qualifying Lifeline programs.

Budget PrePay currently derives the majority of its revenue from selling low-cost prepaid telephone services on a nationwide basis to thousands of customers. Budget PrePay, based in Bossier City, Louisiana, is designated as an ETC for wireless services in Arkansas, Kentucky, Louisiana, Maryland, Rhode Island, Iowa, Washington, Wisconsin, Nevada, Pennsylvania, Michigan, South Carolina, Kansas, Oklahoma and Texas, and is currently offering, or will begin offering, Lifeline service in each of these states.² Budget PrePay also has applications for

¹ See *Wireline Competition Bureau Seeks Comment on TracFone's Request to Include the Children's Health Assistance Program As a Qualifying Lifeline Program*, Public Notice, DA 12-1269 (rel. Aug. 7, 2012) ("TracFone Public Notice"); *Lifeline and Link Up Reform and Modernization et al.*, Request of TracFone, Inc. To Include The Children's Health Insurance Program In The List Of Qualifying Assistance Programs, WC Dkt. Nos. 11-42 *et al.*, CC Dkt. No. 96-45 (filed July 13, 2012) ("TracFone Request"); 47 C.F.R. § 54.409(a)(2) (listing qualifying programs under the uniform eligibility criteria).

² Budget PrePay also has been designated as an ETC for wireline services in Tennessee, Oklahoma, Alabama, Florida, Nebraska, Maryland, Louisiana, Mississippi, Arkansas, Kentucky, Michigan, Missouri, North Carolina, and South Carolina.

Lifeline-only ETC designation pending before the FCC and several state commissions.

Budget PrePay supports TracFone's Request to include CHIP as a qualifying Lifeline program. CHIP provides health coverage to nearly 8 million children in families with incomes too high to qualify for Medicaid, but cannot afford private coverage. Signed into law in 1997, CHIP provides federal matching funds to states to provide this coverage. Because every state administers its own CHIP program, the states have implemented the program differently. Some states offer CHIP benefits as part of an expanded Medicaid plan, whereas in other states, CHIP is provided through a separate child health program. In some states, CHIP is provided as part of a combination program -- *i.e.*, a combined Medicaid and separate child health program.

As TracFone observes, the varied implementation of CHIP throughout the country has had the result that CHIP qualifies some families for Lifeline in some states, whereas in other states, CHIP families are not eligible. This disparate treatment goes against the Commission's efforts to establish uniform eligibility criteria for the Lifeline program across the states, especially with respect to federally supported programs.³

As a federally supported program that is national in scope, CHIP should be added to the list of nationally qualifying programs for Lifeline. By doing so, it will not only eliminate the current disparate treatment of the program as it pertains to qualifying families for Lifeline, but significantly, it will allow more low-income families to gain access to critical Lifeline benefits. The ability to gain access to such critical benefits should not be dependent upon how one state decides to implement a particular federal program.

³ *In The Matter of Lifeline and Link Up Reform and Modernization*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 at ¶ 66 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”)(“Commenters, including consumer advocates and ETCs, agree that uniformity ensures that consumers in all states have comparable access to the program.”).

Budget PrePay respectfully requests that the Commission adopt TracFone's request and include CHIP in the list of programs which qualify households for Lifeline under the Commission's uniform eligibility criteria.

Respectfully submitted,

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